
Town of Olanta Municipal Court

Olanta, South Carolina

Independent Accountant's Report on Applying Agreed-Upon
Procedures for the year ended June 30, 2017



June 10, 2019

The Honorable Michael Welch, Mayor
Town of Olanta
Olanta, South Carolina

The Honorable Rebecca L. Yates, Chief Judge
Town of Olanta
Olanta, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Olanta Municipal Court as of and for the year ended June 30, 2017, was issued by Brown CPA, LLC, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Mr. George L. Kennedy, III, CPA
State Auditor
State of South Carolina
Columbia, South Carolina

The Honorable Michael Welch, Mayor
Town of Olanta
Olanta, South Carolina

The Honorable Rebecca L. Yates, Chief Judge
Town of Olanta
Olanta, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of State Auditor and the Town of Olanta Municipal Court, on the systems, processes, and behaviors related to court fines and fees of the Town of Olanta Municipal Court for the period July 1, 2016 through June 30, 2017, in the areas addressed. The Town of Olanta and the Town of Olanta Municipal Court (the "Municipality") are responsible for the systems, processes, and behaviors related to court fines and fees. The sufficiency of these procedures is solely the responsibility of the South Carolina Office of the State Auditor and the Town of Olanta and the Town of Olanta Municipal Court. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- We gained an understanding of the policies and procedures established by the Clerk of Court to determine timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected twenty-five cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- We randomly selected twenty-five court receipt transactions to confirm that the fee, fine, assessment and surcharge adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

Findings – Adherence to Fine Guidelines – This is a repeat finding from the June 30, 2014 State Auditor's Report

Three of the twenty-five court fines inspected did not comply with State law.

1. An individual was ticketed for speeding 11 – 15 miles above the posted speed limit. State law section 56-5-1520(G)(2) requires that the fine and assessments be no less than \$76.88 and no more than \$128.75 and the individual was fined \$68.00.

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2. Two individuals were ticketed for reckless driving. State law section 56-5-2920 requires that the fine and assessments be no less than \$76.88 and no more than \$440.00 and the individuals were fined \$50.00 each.

Management Response – See Attachment A.

2. Municipal Treasurer

- We gained an understanding of the policies and procedures established by the Municipal Treasurer to determine timely reporting by the Municipality.
- We inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We agreed amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
- We inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms ("STRRF") for the period July 1, 2016 through June 30, 2017 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We agreed amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2016 through June 30, 2017, to the Municipality's general ledger.
- We inspected the Municipality's supplementary schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Findings

1. Timely Submission of STRRF – This is a repeat finding from the June 30, 2014 State Auditor's Report

The December 2016 and March 2017 State Treasurer's Revenue Remittance Forms were not timely submitted to the State Treasurer's Office, the State Treasurer's Office receipts were 37 and 34 days, respectively, past the due date. Section 14-1-208(A) of the 1976 South Carolina Code of Laws, as amended, states "...this assessment must be paid to the municipal clerk of court and deposited with the city treasurer for remittance to the State Treasurer." Section 14-1-208(B) of the 1976 South Carolina Code of Laws, as amended, requires the Town to remit the balance of the assessment revenue to the State Treasurer on a monthly basis by the fifteenth day of each month and make reports on a form and in a manner prescribed by the State Treasurer.

2. Audit Report Presentation of South Carolina Mandated Information — This is a repeat finding from the June 30, 2014 State Auditor's Report

The financial statement audit report for the year ended June 30, 2017 did not properly cover the schedule of court fines, fees, and assessments. This is required by professional standards, and State law, to be presented as supplementary information covered by an "in relation to" opinion on the financial statements. Section 14-1-211 of the 1976 South Carolina Code of Laws, as amended, states that "The supplementary schedule must be included in the external auditor's report by an "in relation to" paragraph as required by

generally accepted auditing standards when information accompanies the basic financial statements in auditor submitted documents”.

Management Response – See Attachment A.

3. Victim Assistance

- We gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- We selected twenty five expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and South Carolina Court administration fee memoranda.
- We inspected the Municipality’s victim assistance financial activity on the supplemental schedule of fines and assessments, as reported in the annual financial statement audit, and confirmed that it was in compliance with applicable State law.
- We agreed the amounts reported by the Municipality on its supplemental schedule of fines and assessments, as reported in the annual financial statement audit, applicable to Victim Assistance Fund, to the Municipality’s general ledger or subsidiary ledgers.
- We inspected the Municipality’s victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

Findings

1. Proviso 93.35 from the 2016 – 2017 Appropriations Act requires that a county or municipality to retain no more than \$25,000 or ten percent of Victims Assistance funds collected in the prior fiscal year, whichever is higher, and any excess to be sent to the State Victim Assistance Program. The Town of Olanta has retained and not spent more than the amount allowed by this proviso. For the fiscal year ended June 30, 2017 the Town retained \$33,353 in Victim Assistance monies and collected \$6,661 in the prior fiscal year. The Town of Olanta did not spend any of the Victims Assistance funds for the fiscal year ended June 30, 2017.
2. There is a difference in amounts at the beginning of the fiscal year between the bank balance and the amount presented in the Schedule of Fines, Assessments and Surcharges of \$228.11. The beginning of year victim assistance balance per the audit report is \$29,618 and the balance per the banking activity is \$29,846.11.
3. The Schedule of Fines, Assessments and Surcharges did not credit the victim assistance account with the \$34.61 that the account earned in interest for the fiscal year ended June 30, 2017.

Management Response – See Attachment A.

4. **Status of Prior Findings**

- We inquired with management of the Municipality about the status of findings reported in the Accountant's Comments section of the State Auditor's Report on the Municipality resulting from the June 30, 2014 State Auditor's Report to confirm that the Municipality had taken adequate corrective action. Except as otherwise noted above we determined that adequate corrective action had taken place.

Management Response – See Attachment A.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or a review, the objective of which would be the expression of an opinion or conclusion, respectively, on the systems, processes, and behaviors related to financial activity of the Court. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of Town of Olanta Council, Town of Olanta Clerk of Court, Town of Olanta Finance Director, State Treasurer, Office of Attorney General Department of Crime Victims Compensation, the Chief Justice, and the South Carolina Office of the State Auditor, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN CPA, L.L.C.

Irmo, South Carolina
June 10, 2019

Attachment A

June 10, 2019

To whom it may concern:

We have reviewed the comments provided herein and are in agreement with the comments and will remediate these items as follows.

We will review State of South Carolina guidelines for minimum and maximum amounts for police fines and assessments in an effort to conform with State Law. Additionally we will place greater effort in timely remitting to the South Carolina State Treasurer's Office the monthly State Treasurer Revenue Remittance Forms which we understand are due by the 15th day of the following month.

With respect to the presentation and reporting on the schedule of fines, fees, and assessments within our annual financial statements we will provide our outside auditor with a copy of this report and request that they review the comments and to correct the presentation and reporting deficiencies identified.

As to the comment provided herein with respect to South Carolina legislative proviso regarding the maximum allowable amount a county or municipality may retain in Victims Assistance monies. We were unaware of the requirements of this proviso and as such did not comply with the limitation on retaining Victims Assistance monies. Now that we are aware of these requirements we will implement policies and procedures to ensure that either Victims Assistance monies are spent or will transfer excess amounts to the State of South Carolina Victims Assistance Program in the future

We are always receptive to positive constructive criticism in our effort to improve upon compliance and financial reporting.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Jean Godwin", written over a horizontal line.

Jean Godwin
Clerk / Treasurer
Town of Olanta